



HOME AND COMMUNITY-BASED SERVICES REVOLVING LOAN PROGRAM FUND

1. These are loans to develop and expand facilities and infrastructure that provide adult day services, respite services, and congregate meals for low-income people.
2. These loans will not be competitive. Funding will be provided to successful applicants until the money runs out. When money cycles back into IFA through the revolving loan process, additional loans will be made. The first applications will be accepted on December 6, 2004.
3. Because it is not a competitive process, potential applicants may contact IFA at any time following the release of the application with questions and staff will communicate with the applicants during the review of the application.
4. The loans will have an interest rate of 1% per annum and be fully amortizing with a maximum term of 20 years.
5. Minimum loan amount is \$50,000 and maximum amount is \$1 million. The required debt service coverage ratio for the loans is 1.30 to 1.
6. The loans can be used for the construction loan and permanent financing.
7. IFA will hold the first mortgage on the property.
8. There will be recorded affordability and transfer restrictions for the selected period of compliance. In other words, the owners will have to continue to provide the selected service to low income persons and if the property is sold, the new owner will have to continue serving this population as the selected service.
9. Each loan will be underwritten by IFA staff.
10. The program guidelines are set forth in the Project Eligibility Requirements (Attachment 4 of this Application), depending on the type of project you wish to fund. In addition to affordability criteria, there will need to be a demonstrated market need, project must be in a good location, there must be a local contributing effort; project must work financially and be able to repay the loan.

These IFA staff members are available to answer questions about the Home and Community Based Services Revolving Loan Program (please contact Carla for an application package):

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